



## PRODUCTION REPORT FOR DECEMBER 2020

Released : 05.01.2021

RNS Number : 5895K  
Volga Gas PLC  
05 January 2021

5 January 2021

**Volga Gas plc**  
**("Volga Gas", the "Company" or the "Group")**  
**PRODUCTION REPORT FOR DECEMBER 2020**

Volga Gas plc, the oil and gas exploration and production group operating in the Volga Region of Russia, is pleased to provide the following update on its average production volumes for December 2020.

### Production Report

The average production in December 2020 was 3,310 barrels of oil equivalent per day (12.4% higher than November 2020). This increase was driven by well VM4 being put back into production following a workover for the last eight days of the month.

Average production comprised:

	<b>Dec 2020 Average</b>	<b>Nov 2020 Average</b>	<b>Jan-Dec 2020 Average</b>
Gas:	6.3 mmcf/d	6.1 mmcf/d	8.3 mmcf/d
Condensate	1,589 bpd	1,165 bpd	1,533 bpd
Oil	508 bpd	619 bpd	512 bpd
LPG	164 bpd	150 bpd	180 bpd
<b>Total</b>	<b>3,310 boepd</b>	<b>2,945 boepd</b>	<b>3,616 boepd</b>

Production data is based preliminary on monthly production reports prepared for submissions to the tax authorities for Mineral Extraction Tax purposes. Final monthly production reports may vary marginally from preliminary monthly production reports.

As at 31 December 2020, the Group held cash balances of US\$12.0 million, and has no debt. Cash balance increase was mainly driven by increased trade prepayments from customers (approx. +\$1.4m vs November) on the eve of New Year Holidays to cover continuous sales.

### Pricing update

Domestic pricing for condensate was improved mainly due to Urals price increase during the month, oil pricing was at the same level in RUR with prior month and was slightly improved due to local currency strengthening. LPG price decrease was driven by seasonally lower demand. Gas price is fixed in RUR. Average pricing was:

<b>Pricing ex VAT, USD</b>	<b>Dec 2020 Average</b>	<b>Nov 2020 Average</b>	<b>Jan-Dec 2020 Average</b>
Exchange Rate (RUR/USD)	74.0563	77.0462	72.1464
Gas price per mcf	1.74	1.68	1.79
Condensate price per bbl	31.58	27.59	26.84
Oil price per bbl	34.96	34.11	32.27
LPG price per bbl	28.75	30.60	27.40

### Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

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**Notes**

The information contained in this announcement has been reviewed and verified by Mr. Andrey Zozulya, Chief Executive Officer of Volga Gas plc, for the purposes of the Guidance Note for Mining, Oil and Gas companies issued by the London Stock Exchange in June 2009. Mr. Andrey Zozulya holds a degree in Geophysics and Engineering from the Groznensky Oil & Gas Institute and is a member of the Society of Petroleum Engineers.

The Company records production in metric tonnes (for oil and condensate) and in cubic meters (for gas). Conversions from metric to standard oil field units are used for illustrative purposes only and are based on the Company's estimate of the applicable ratios. The ratios used are 7.833 barrels per tonne for oil and 8.75 barrels per tonne for condensate and 11.735 barrels per tonne for LPG. Gas volumes are translated using 35.3 cubic feet per cubic meter and 6,000 cubic feet per barrel of oil equivalent.

**Glossary**

bpd	Barrels per day
boepd	Barrels of oil equivalent per day
mmcf	Millions of standard cubic feet per day

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